

## CHAPTER 246

## SEWAGE DISPOSAL CONTRACTS

## S. F. 242

AN ACT to permit any municipal corporation in Iowa to contract for sewage disposal with any similar area in an adjoining state.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Any municipal corporation, adjoining a border of the  
2 state and owning and operating a sewage disposal plant, may contract  
3 with the governing body of any legal entity in an adjacent area in  
4 another state, on mutually satisfactory terms, to process the sewage  
5 from such area in the adjoining state. Such contract shall be subject  
6 to approval of the state department of health of Iowa.

1 SEC. 2. This Act being deemed of immediate importance shall take  
2 effect and be in force from and after its passage and publication in the  
3 Sioux City Journal, a newspaper published in Sioux City, Iowa, and in  
4 The Anthon Herald, a newspaper published in Anthon, Iowa.

Approved March 13, 1963.

I hereby certify that the foregoing Act, Senate File 242, was published in the Sioux City Journal, Sioux City, Iowa, March 13, 1963, and in The Anthon Herald, Anthon, Iowa, March 20, 1963.

MELVIN D. SYNHORST, *Secretary of State.*

## CHAPTER 247

## MUNICIPAL SUPPORT OF INDUSTRIAL PROJECTS

## H. F. 149

AN ACT authorizing cities and towns to acquire, purchase, construct, reconstruct, improve, extend and lease industrial buildings; authorize the issuance of revenue bonds of cities and towns for the purpose of securing and developing industry and provide for the payment of certain sums in lieu of taxes to the state of Iowa and to the county, city, town, school district and other political subdivisions.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. As used in this Act, unless the context otherwise re-  
2 quires:  
3 1. "Municipality" means any incorporated city or town in this state.  
4 2. "Project" means any land, building or other improvements there-  
5 on and all real and personal properties deemed necessary in connection  
6 therewith which shall be suitable for the use of any industry for the  
7 manufacturing, processing or assembling of any agricultural or manu-  
8 factured products.  
9 3. "Governing body" means the board, council or other body in  
10 which the legislative powers of the municipality are vested.  
11 4. "Mortgage" shall include a deed of trust.

1 SEC. 2. In addition to any other powers which it may now have, in  
2 the event that local capital is not available for the development of  
3 industrial projects, each municipality shall have the following powers:

4 1. To acquire, whether by construction, purchase, gift or lease, one  
5 or more projects. Such projects shall be located within this state, may  
6 be located within or near the municipality but shall not be located  
7 more than eight miles outside the corporate limits of the municipality.

8 2. To lease to others any or all of its projects for such rentals and  
9 upon such terms and conditions as the governing body may deem ad-  
10 visable but in no case shall the rentals be less than the average rental  
11 cost per square foot for like or similar facilities within the competitive  
12 commercial area.

13 3. To issue revenue bonds for the purpose of defraying the cost of  
14 acquiring any project and to secure payment of such bonds as pro-  
15 vided in this Act.

16 No municipality shall have the power to operate any project, re-  
17 ferred to in this Act, as a business or in any manner except as the  
18 lessor thereof.

1 SEC. 3. 1. All bonds issued by a municipality, under the authority  
2 of this Act, shall be limited obligations of the municipality. The prin-  
3 cipal of and on such bonds shall be payable solely out of the revenues  
4 derived from the leasing of the project to be financed by the bonds so  
5 issued under the provisions of this Act. Bonds and interest coupons  
6 issued under authority of this Act shall never constitute an indebted-  
7 ness of the municipality, within the meaning of any state constitu-  
8 tional provision or statutory limitation, and shall not constitute nor  
9 give rise to a pecuniary liability of the municipality or a charge against  
10 its general credit or taxing powers. Such limitation shall be plainly  
11 stated on the face of each such bond.

12 2. The bonds referred to in subsection one (1) of this section may  
13 be executed and delivered at any time and from time to time; be in  
14 such form and denominations; be of such tenor; be in registered or  
15 bearer form either as to principal or interest or both; be payable in  
16 such installments and at such time or times, not exceeding thirty years  
17 from their date; be payable at such place or places; bear interest at  
18 such rate or rates, payable at such place or places; be evidenced in such  
19 manner and contain such provisions not inconsistent herewith as shall  
20 be provided in the proceedings of the governing body whereunder the  
21 bonds are authorized to be issued.

22 3. The bonds, issued under the provisions of this Act, shall be sub-  
23 ject to the general provisions of law, presently existing or that may  
24 hereafter be enacted, respecting the execution and delivery of the  
25 bonds of a municipality and respecting the retaining of options of re-  
26 demption in proceedings authorizing the issuance of municipal securi-  
27 ties.

28 4. Any bonds, issued under the authority of this Act, may be sold  
29 at public sale in such manner and at such time or times as may be  
30 determined by the governing body to be most advantageous. The  
31 municipality may pay all expenses, premiums and commissions which  
32 the governing body may deem necessary or advantageous in connection  
33 with the authorization, sale and issuance thereof.

34 5. All bonds, issued under the authority of this Act and all interest  
 35 coupons applicable thereto, shall be construed to be negotiable instru-  
 36 ments, even though they are payable solely from a specified source.

1 SEC. 4. 1. The principal of and interest on any bonds, issued under  
 2 authority of this Act, shall be secured by a pledge of the revenues out  
 3 of which such bonds shall be made payable. They may be secured by  
 4 a mortgage covering all or any part of the project from which the  
 5 revenues so pledged may be derived or by a pledge of the lease of such  
 6 project.

7 2. The proceedings under which the bonds are authorized to be is-  
 8 sued under the provisions of this Act, and any mortgage given to  
 9 secure the same, may contain any agreements and provisions custom-  
 10 arily contained in instruments securing bonds, including, but not lim-  
 11 ited to:

12 a. Provisions respecting the fixing and collection of rents for any  
 13 project covered by such proceedings or mortgage.

14 b. The terms to be incorporated in the lease of such project.

15 c. The maintenance and insurance of such project.

16 d. The creation and maintenance of special funds from the revenues  
 17 of such project, and

18 e. The rights and remedies available in case of a default to the bond  
 19 holders or to the trustee under a mortgage.

20 In making such agreements or provisions, a municipality shall not  
 21 have the power to obligate itself, except with respect to the project  
 22 and the application of the revenues therefrom, and shall not have the  
 23 power to incur a pecuniary liability or a charge upon its general credit  
 24 or against its taxing powers.

25 3. The proceedings authorizing any bonds under the provisions of  
 26 this Act, or any mortgage securing such bonds, may provide that if  
 27 there is a default in the payment of the principal of or the interest on  
 28 such bonds or in the performance of any agreement contained in such  
 29 proceedings or mortgage, the payment and performance may be en-  
 30 forced by mandamus or by the appointment of a receiver in equity  
 31 with power to charge and collect rents and to apply the revenues from  
 32 the project in accordance with such proceedings or the provisions of  
 33 such mortgage.

34 4. Any mortgage, made under the provisions of this Act, to secure  
 35 bonds issued thereunder, may also provide that if there is a default in  
 36 the payment thereof or a violation of any agreement contained in the  
 37 mortgage, it may be foreclosed and sold under proceedings in equity  
 38 or in any other manner permitted by law. Such mortgage may also  
 39 provide that any trustee under such mortgage or the holder of any  
 40 bonds secured thereby may become the purchaser at any foreclosure  
 41 sale if he is the highest bidder therefor.

1 SEC. 5. 1. Prior to the leasing of any project, the governing body  
 2 must determine the amount necessary in each year to pay the prin-  
 3 cipal of and the interest on the bonds proposed to be issued to finance  
 4 such project; the amount necessary to be paid each year into any  
 5 reserve funds which the governing body may deem advisable to estab-  
 6 lish in connection with the retirement of the proposed bonds and the

7 maintenance of the project; and unless the terms under which the  
8 project is to be leased provides that the lessee shall maintain the  
9 project and carry all proper insurance with respect thereto, the esti-  
10 mated cost of maintaining the project in good repair and keeping it  
11 properly insured.

12 2. The determination and findings of the governing body, required  
13 to be made by subsection one (1) of this section, shall be set forth in  
14 the proceedings under which the proposed bonds are to be issued.  
15 Prior to the issuance of the bonds authorized by this Act the municipi-  
16 tality shall lease the project to a lessee under an agreement condi-  
17 tioned upon completion of the project and providing for payment to  
18 the municipality of such rentals as, upon the basis of such determina-  
19 tions and findings, will be sufficient to pay the principal of and interest  
20 on the bonds issued to finance the project; to build up and maintain  
21 any reserves deemed advisable, by the governing body, in connection  
22 therewith and unless the agreement of lease obligates the lessee to  
23 pay for the maintenance and insurance on the project, to pay the costs  
24 of maintaining the project in good repair and keeping it properly  
25 insured.

1 SEC. 6. Any bonds, issued under the provisions of this Act and at  
2 any time outstanding, may at any time and from time to time be re-  
3 funded by a municipality by the issuance of its refunding bonds in  
4 such amount as the governing body may deem necessary but not ex-  
5 ceeding an amount sufficient to refund the principal of the bonds to  
6 be so refunded, any unpaid interest thereon and any premiums and  
7 commissions necessary to be paid in connection therewith. Any such  
8 refunding may be effected whether the bonds to be refunded shall have  
9 matured or shall thereafter mature, either by sale of the refunding  
10 bonds and the application of the proceeds thereof for the payment of  
11 the bonds to be refunded thereby, or by exchange of the refunding  
12 bonds for the bonds to be refunded thereby, but the holders of any  
13 bonds to be so refunded shall not be compelled, without their consent,  
14 to surrender their bonds for payment or exchange prior to the date on  
15 which they are payable by maturity date, option to redeem or other-  
16 wise, or if they are called for redemption, prior to the date on which  
17 they are by their terms subject to redemption by option or otherwise.  
18 All refunding bonds, issued under authority of this Act, shall be pay-  
19 able solely from the revenues out of which the bonds to be refunded  
20 thereby are payable and shall be subject to the provisions contained  
21 in section three (3) of this Act and may be secured in accordance with  
22 the provisions of section four (4) of this Act.

1 SEC. 7. The proceeds from the sale of any bonds, issued under  
2 authority of this Act, shall be applied only for the purpose for which  
3 the bonds were issued and if, for any reason, any portion of such pro-  
4 ceeds shall not be needed for the purpose for which the bonds were  
5 issued, such unneeded portion of said proceeds shall be applied to the  
6 payment of the principal or the interest on said bonds. The cost of  
7 acquiring any project shall be deemed to include the actual cost of  
8 acquiring a site or the cost of the construction of any part of a project  
9 which may be constructed including architects' and engineers' fees,

10 the purchase price of any part of a project that may be acquired by  
 11 purchase, all expenses in connection with the authorization, sale and  
 12 issuance of the bonds to finance such acquisition and the interest on  
 13 such bonds for a reasonable time prior to construction, during con-  
 14 struction and for not exceeding six months after completion of con-  
 15 struction.

1 SEC. 8. No municipality shall have the power to pay out of its gen-  
 2 eral fund or otherwise contribute any part of the costs of acquiring a  
 3 project and shall not have the power to use land already owned by the  
 4 municipality, or in which the municipality has an equity, unless spe-  
 5 cifically acquired for industrial development or unless the land is  
 6 determined by the municipal governing body to no longer be necessary  
 7 for municipal purposes, for the construction thereon of a project or  
 8 any part thereof. The entire cost of acquiring any project must be  
 9 paid out of the proceeds from the sale of bonds issued under the au-  
 10 thority of this Act, but this provision shall not be construed to prevent  
 11 a municipality from accepting donations of property to be used as a  
 12 part of any project or money to be used for defraying any part of the  
 13 cost of any project.

1 SEC. 9. Prior to the issuance of any bonds under authority of this  
 2 Act, the municipality shall provide for an election as provided in chap-  
 3 ter four hundred eight A (408A) of the Code.

1 SEC. 10. In case of a default in the payment of any revenue bonds,  
 2 issued pursuant to the provisions of this Act, the municipality which  
 3 defaulted in such payment shall be precluded from entering into any  
 4 activity of its own except to release the property for some industrial  
 5 activity.

1 SEC. 11. Any municipality acquiring, purchasing, constructing, re-  
 2 constructing, improving or extending any industrial buildings, as pro-  
 3 vided in this Act, shall annually pay out of the revenue from such  
 4 industrial buildings to the state of Iowa and to the city, town, school  
 5 district and any other political subdivision, authorized to levy taxes,  
 6 a sum equal to the amount of tax which the state, county, city, town,  
 7 school district or other political subdivision would receive if the prop-  
 8 erty were owned by any private person or corporation, any other stat-  
 9 ute to the contrary notwithstanding.

1 SEC. 12. The municipality may accept any bona fide offer to pur-  
 2 chase which is sufficient to pay all the outstanding bonds, interest,  
 3 taxes, special levies, and other costs that have been incurred.

1 SEC. 13. The municipality's holding as authorized in this Act shall  
 2 be limited at any one time as follows:

3 1. Municipalities having population of less than five thousand  
 4 (5,000), as determined by the last federal census, not more than two  
 5 (2) such holdings.

6 2. Municipalities having population of five thousand (5,000) and  
 7 over, as determined by the last federal census, not more than two (2)

8 plus an additional one (1) for each additional ten thousand (10,000)  
9 population or major fraction thereof.

1 SEC. 14. No land acquired by a municipality by the exercise of con-  
2 demnation through eminent domain can be used to effectuate the pur-  
3 poses of this Act.

1 SEC. 15. This Act, being deemed of immediate importance, shall be  
2 in full force and effect from and after its publication in the Sioux City  
3 Journal, a newspaper published at Sioux City, Iowa, and in The Creston  
4 News-Advertiser, a newspaper published at Creston, Iowa.

Approved April 25, 1963.

I hereby certify that the foregoing Act, House File 149, was published in the Sioux City Journal, Sioux City, Iowa, May 1, 1963, and in The Creston News-Advertiser, Creston, Iowa, April 29, 1963.

MELVIN D. SYNHORST, *Secretary of State.*

## CHAPTER 248

### MUNICIPAL TAX RATES

#### S. F. 282

AN ACT relating to maximum millage rates for taxes caused to be levied by cities and towns and to clarify chapter four hundred four (404), Code 1962, relating thereto.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section four hundred four point two (404.2), Code  
2 1962, is amended by adding at the end thereof the following:

3 "The aforesaid maximum and aggregate millage rates shall be ex-  
4 clusive of all sources of income received or receivable by cities and  
5 towns other than taxes caused to be levied under the provisions of  
6 sections four hundred four point six (404.6) to four hundred four  
7 point twelve (404.12), inclusive, Code 1962, and those taxes in lieu of  
8 which allocations may be made under said sections by express author-  
9 ization contained therein."

1 SEC. 2. Section four hundred four point four (404.4), Code 1962,  
2 is amended by striking from lines nine (9) and ten (10) the word  
3 "taxation," and inserting in lieu thereof the words, "taxes caused to  
4 be levied under the provisions of this chapter,".

1 SEC. 3. Section four hundred four point six (404.6), Code 1962, is  
2 amended by adding at the end thereof the following new subsection:  
3 "Funds received by the city or town as its distributive share of the  
4 proceeds of moneys and credits tax shall be allocated for the above  
5 purposes and in addition to any tax caused to be levied under this  
6 section."

1 SEC. 4. Section four hundred four point twenty-six (404.26), Code  
2 1962, is amended by inserting immediately following the word "levies"